

ALBERTA INSURANCE COUNCIL
(the "AIC")

In the Matter of the *Insurance Act*, R.S.A. 2000, Chapter I-3
(the "Act")

And

In the Matter of PTZ Insurance Services Ltd.
(the "Agency")

As represented by
Palwinder Gill, Designated Representative
(the "DR")

AGREED STATEMENT OF FACTS AND JOINT SUBMISSION

WHEREAS the AIC undertook a review of the Agency's records, during which review information came to light that indicated that the Agency had been compensating seven different agents for the sale of general insurance policies while the agents were unlicensed;

AND WHEREAS the review established that the Agency compensated seven unlicensed agents for 53 general insurance policies sold during the past three years, namely since 2015;

AND WHEREAS the Agency is aware of the opportunity to retain and instruct legal counsel with respect to the matters referred to in this Agreed Statement of Facts and Joint Submission;

NOW THEREFORE DR and the Investigator agree as follows:

- 1.0 For the purposes of this Agreed Statement of Facts and Joint Submission, the Agency through DR makes the following admissions and submissions:
 - 1.1.1 The Agency was the holder of a Certificate of Authority (7-5879743) under the name PTZ Insurance Brokers Ltd to transact business as a general insurance agency to sell insurance from January 30, 2009 to August 15, 2016. The Agency amended the name of the business to PTZ Insurance Services Ltd and was issued a Certificate of Authority (7-10964304) to transact business as a general insurance agency to sell insurance and has been licensed under that name since August 11, 2016;
 - 1.1.2 On March 7, 2016, Harpreet Sidhu ("HS"), General Counsel with the Agency sent an email to the AIC advising that the Agency had agents licensed in Ontario that acted as general insurance agents in Alberta. HS confirmed that the prior management understood that agents licensed in their "home jurisdiction" were authorized to sell insurance policies in Alberta as they were "covered under" the Agency's Certificate of Authority;

- 1.1.3 In response to a request from the AIC, HS sent an email dated September 26, 2016 to the AIC, verifying the amount of policies and compensation received for each of the seven agents. The above-noted email verified that the total amount of policies sold were 53 and the Agency compensated the agents a total of \$1141.47 for those 53 policies;
 - 1.1.4 The AIC opened seven separate investigation files against each of the seven agents for acting as insurance agents in Alberta during a period of time they were not authorized;
 - 1.1.5 HS confirmed that the responsibilities regarding the Agency's compliance and licensing matters form part of her role;
 - 1.1.6 HS is aware that any similar future occurrences may result in a potential fine as high as \$1,000.00 per policy compensated when unlicensed.
- 2.0 As a result of the facts set out in this Agreed Statement of Facts and Joint Submission, the Agency contravened section 499(1) of the Act, and consequently violated section 480 (1) (b) of the Act for compensating unlicensed agents.
- 3.0 DR and the Investigator jointly recommend to the General Insurance Council ("Council") that the Council approve this Agreed Statement of Facts and Joint Submission and resolve, dispose of and finally conclude this matter involving the Agency by approving a decision in the form annexed hereto as Schedule 1, which provides for a civil penalty in the amount of \$2100.00 (representing \$300.00 for each of the seven agents) in accordance with the penalties prescribed in section 13(1) (b) of the Certificate Expiry, Penalties and Fees Regulation, AR 125/2001.
- 4.0 DR recognizes that the acceptance of the decision set out in Schedule 1 shall be at the unfettered discretion of the Council.
- 5.0 The Agency is aware of and acknowledges that upon receiving notification of the Council's decision, the civil penalty specified in Schedule 1 must be paid within the time frames set out in section 480(4) of the Act.
- 6.0 The Agency is also aware of and acknowledges that by entering into this Agreed Statement of Facts and Joint Submission, the Agency waives its right to appeal this decision as set out in section 482 of the Act.
- 7.0 The Agency waives any existing right it may have under the Act or otherwise to a hearing, review, judicial review or appeal of this matter.

8.0 The Agency acknowledges that this Agreed Statement of Facts and Joint Submission may be referred to in this or any other proceeding under the Act, and in regulatory proceedings in other jurisdictions.

9.0 The Agency recognizes that this Agreed Statement of Facts and Joint Submission resolves all issues involving the Agency in this matter only, as the matter is described above.

Dated at the City of Edmonton, in the Province of Alberta this 26th day of January, 2017.

ALBERTA INSURANCE COUNCIL
PER:

TRISHA LUNT
Trisha Lunt, Investigator

Dated at Oakville, in the Province of Ontario, this 27th day of January, 2017.

PALWINDER GILL
Palwinder Gill, Designated Representative

In the presence of:

WITNESS
Signature of Witness

WITNESS
Name of Witness (please print)

SCHEDULE 1

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Palwinder Gill, Designative Representative,
(the "DR")

DECISION OF
The General Insurance Council
(the "Council")

WHEREAS the Investigator of the Alberta Insurance Council ("AIC") made a request for information in relation to an investigation being conducted by the AIC into the Agency compensating seven unlicensed agents;

AND WHEREAS as a result of information received, the Investigator and DR entered into an Agreed Statement of Facts and Joint Submission, a copy of which is attached hereto;

AND WHEREAS pursuant to the Agreed Statement of Facts and Joint Submission, DR has agreed that the Agency will pay a civil penalty in the amount of TWO THOUSAND and ONE HUNDRED DOLLARS (\$2100.00) and has acknowledged that the Council has the discretion to accept or reject that recommendation;

AND WHEREAS the Council considers that it would be in the public interest to approve the said Agreed Statement of Facts and Joint Submission;

IT IS ORDERED that:

1. The Agreed Statement of Facts and Joint Submission be accepted and is hereby approved; and
2. The Agency pay a fine of TWO THOUSAND and ONE HUNDRED DOLLARS (\$2100.00) in accordance with the terms and conditions set out in this Agreed Statement of Facts and Joint Submission.

The attached Agreed Statement of Facts and Joint Submission was reviewed by the Council and a motion to approve this decision was made and carried at a properly conducted meeting of the General Insurance Council. The motion was duly recorded in the minutes of that meeting.

Date: February 1, 2017

AMANDA SAWATZKY

Member and Designee

General Insurance Council